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Study Finds NHHealthCost.org Lowers Prices of Common Healthcare Services

Concord, NH – A <u>study</u> to be published in the Review of Economics and Statistics found that use of the New Hampshire Insurance Department's HealthCost website brought down the price of common health care services.

The study focused on the early years of the website, when health care price transparency in New Hampshire was still a novelty. The study concludes that during those years, the "HealthCost website reduced the cost of medical imaging procedures by 5 percent for patients and 4 percent for insurers. A simple calculation implies that individuals saved around \$7.9 million and insurers saved \$36.0 million on X-Ray, CT scan, and MRI scans over the 5 year period."

"After the introduction of the NH HealthCost website, patient spending dropped by 5 percent for medical imaging procedures on the website relative to similar procedures not on the website," said the study's author, Zach Brown, assistant professor of economics at the University of Michigan. "Part of this effect is due to the fact that the tool allowed individuals to choose less expensive options. In addition, there is some evidence that prices decreased for procedures featured on the website, benefiting patients even if they did not use the tool. As use of the website increases, these effects are likely to grow."

"We're pleased to learn that the NH HealthCost website is helping patients find lower cost providers and lowering the cost of certain procedures overall. This is beneficial for all New Hampshire residents, whether or not they use the website" said Insurance Commissioner John Elias. "Use of the website has increased substantially since the time frame of the data used in this study, and we are optimistic about its ongoing ability to reduce health care costs in New Hampshire."

Brown used health care claims data for medical imaging procedures over a 5 five year period, from 2005 to 2011. The data set used in the study is from the New Hampshire Comprehensive Health Care Information System (NHCHIS), a statutorily created database of anonymous claims, developed to better understand health care use and costs in New Hampshire.

The NH HealthCost website is a free resource developed by the NH Insurance Department. The website includes cost estimates for over 100 medical and dental procedures, NH hospital quality information, and a Guide to Health Insurance. In 2018, the NH HealthCost website had 165,000 total visits, compared to 18,000 visitors in 2011, the last year of the data set used in the study.

About the New Hampshire Insurance Department

The New Hampshire Insurance Department's mission is to promote and protect the public good by ensuring the existence of a safe and competitive insurance marketplace through the development and enforcement of the insurance laws of the State of New Hampshire. For more information, visit www.nh.gov/insurance.